



House Bill No. 5511

Public Act No. 12-180

**AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENT
AND ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS
IN COMMON INTEREST OWNERSHIP COMMUNITIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 47-261e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2012*):

(a) The executive board, at least annually, shall adopt a proposed budget for the common interest community for consideration by the unit owners. Not later than thirty days after the adoption of a proposed budget, the executive board shall provide to all unit owners a summary of the budget, including a statement of the amount of any reserves, and a statement of the basis on which such reserves are calculated and funded. Simultaneously, the board shall set a date not less than ten days or more than sixty days after providing the summary for either a meeting of the unit owners or a vote by ballot without a meeting to consider approval of the budget. If, at that meeting or in the vote by ballot, a majority of all unit owners or any larger number specified in the declaration votes to reject the budget, the budget shall be rejected. If, at that meeting or in the vote by ballot, a majority of all unit owners or any larger number specified in the declaration does not vote to reject the budget, the budget shall be

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approved. The absence of a quorum at such meeting or participating in the vote by ballot shall not affect rejection or approval of the budget. If a proposed budget is rejected, the budget last approved by the unit owners continues until unit owners approve a subsequent budget.

(b) The executive board, at any time, may propose a special assessment. Not later than thirty days after adoption of a proposed special assessment, the executive board shall provide to all unit owners a summary of the proposed special assessment. Unless the declaration or bylaws otherwise provide, if such special assessment, together with all other special and emergency assessments proposed by the executive board in the same calendar year, do not exceed fifteen per cent of the association's last adopted periodic budget for that calendar year, the special assessment is effective without approval of the unit owners. Otherwise, the board shall set a date not less than ten days or more than sixty days after providing the summary for either a meeting of the unit owners or a vote by ballot without a meeting to consider approval of the special assessment. If, at such meeting or in the balloting, a majority of all unit owners or any larger number specified in the declaration votes to reject the special assessment, the special assessment shall be rejected. If, at such meeting or in the balloting, a majority of all unit owners or any larger number specified in the declaration does not vote to reject the special assessment, the special assessment shall be approved. The absence of a quorum at such meeting or participating in the vote by ballot shall not affect the rejection or approval of the special assessment.

(c) If the executive board determines by a two-thirds vote that a special assessment is necessary to respond to an emergency: (1) The special assessment becomes effective immediately in accordance with the terms of the vote; (2) notice of the emergency assessment must be provided promptly to all unit owners; and (3) the executive board may spend the funds paid on account of the emergency assessment only for

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the purposes described in the vote.

(d) Notwithstanding any provision of the declaration or bylaws to the contrary, at least fourteen days prior to entering into any loan agreement on behalf of the association, the executive board shall (1) disclose in a record to all unit owners the amount and terms of the loan and the estimated effect of such loan on any common expense assessment, and (2) afford the unit owners a reasonable opportunity to submit comments in a record to the executive board with respect to such loan.

(e) Unless prohibited or otherwise limited in the declaration, if the executive board proposes to enter into a loan agreement on behalf of the association and to assign its right to future income as security for such loan pursuant to subdivision (14) of subsection (a) of section 47-244, then, in addition to satisfying the requirements of subsection (d) of this section, [unit owners of units to which at least a majority of the votes in the association are allocated, or any larger percentage or fraction stated in the declaration, must vote in favor of or agree to such assignment] the board shall set a date not less than ten days or more than sixty days after satisfying the requirements of subsection (d) of this section, for a meeting of the unit owners and a vote by ballot at the meeting to consider approval of such assignment. If, at such meeting, a majority of all unit owners or any larger number specified in the declaration votes to reject the assignment, the assignment shall be rejected. If, at such meeting, a majority of all unit owners or any larger number specified in the declaration does not vote to reject the assignment, the assignment shall be approved. The absence of a quorum at such meeting shall not affect the rejection or approval of the assignment.

(f) Notwithstanding the provisions of subsection (a) of this section, adoption of a proposed budget for any association of a common interest community, or a master association as defined in section 47-

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239 exercising the powers on behalf of one or more common interest communities or for the benefit of the unit owners of one or more common interest communities, which community or communities were established prior to July 3, 1991, and have more than two thousand four hundred residential units, shall be in accordance with the provisions of this subsection. The executive board of any such association, at least annually, shall adopt a proposed budget for the community or communities for consideration by the unit owners. Not later than thirty days after the adoption of a proposed budget, the executive board shall provide to all unit owners a summary of the budget, including a statement of the amount of any reserves, and a statement of the basis on which such reserves are calculated and funded. Simultaneously, the board shall set a date not less than ten days or more than sixty days after providing the summary for either a meeting of the unit owners or a vote by ballot without a meeting to consider approval of the budget. If, at that meeting or in the vote by ballot, a majority of the unit owners voting votes to reject the budget, the budget shall be rejected, provided not less than thirty-three and one-third per cent of the unit owners entitled to vote on the proposed budget, vote at that meeting or in the vote by ballot to reject the budget. If, at that meeting or in the vote by ballot, a majority of the unit owners voting does not vote to reject the budget, the budget shall be approved. If a proposed budget is rejected, the budget last approved by the unit owners continues until unit owners approve a subsequent budget. In the event that less than thirty-three and one-third per cent of the unit owners entitled to vote on the proposed budget exercise their right to vote on the proposed budget at a meeting of the unit owners or in a vote by ballot, the budget shall be deemed approved.

(g) Notwithstanding the provisions of subsection (b) of this section, adoption of a proposed special assessment for any association of a common interest community, or a master association as defined in section 47-239 exercising the powers on behalf of one or more common

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interest communities or for the benefit of the unit owners of one or more common interest communities, which community or communities were established prior to July 3, 1991, and have more than two thousand four hundred residential units, shall be in accordance with the provisions of this subsection. The executive board of any such association, at any time, may propose a special assessment. Not later than thirty days after adoption of a proposed special assessment, the executive board shall provide to all unit owners a summary of the proposed special assessment. Unless the declaration or bylaws otherwise provide, if such special assessment, together with all other special and emergency assessments proposed by the executive board in the same calendar year, do not exceed fifteen per cent of the association's last adopted periodic budget for that calendar year, the special assessment is effective without approval of the unit owners. Otherwise, the board shall set a date not less than ten days or more than sixty days after providing the summary for either a meeting of the unit owners or a vote by ballot without a meeting to consider approval of the special assessment. If, at that meeting or in the vote by ballot, a majority of the unit owners voting votes to reject the special assessment, the special assessment shall be rejected, provided not less than thirty-three and one-third per cent of the unit owners entitled to vote on the proposed special assessment, vote at that meeting or in the vote by ballot to reject the special assessment. If, at that meeting or in the vote by ballot, a majority of the unit owners voting does not vote to reject the special assessment, the special assessment shall be approved. In the event that less than thirty-three and one-third per cent of the unit owners entitled to vote on the proposed special assessment exercise their right to vote on the proposed special assessment at a meeting of the unit owners or in a vote by ballot, the special assessment shall be deemed approved.

Vetoed June 15, 2012